19 March 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : The Proper Location of OSI

REFERENCE : Memorandum from DDR to DCI, undated; subject,

"Activities of DDR"

1. As I have advised you orally, I am strongly of the opinion that it would be undesirable and against the best interests of the Agency to move OSI from the DDI area to the DDR. This memorandum sets forth principal reasons why I have reached this conclusion.

2. First, as to the purpose of establishing the DDR, it is my understanding from you that the principal goal was to split the Agency's collection effort into two arms, the classical and the scientific or technical, experience having shown that the two tasks were essentially too big for one individual to administer. I believe this should still be the primary objective and consider that the direction of all advanced methods of intelligence data collection is a sufficiently demanding task to occupy fully the DDR and his staff. The fact that more than one-third of the Agency's budgeted resources are

allocated to this work would tend to support this view.

3. The second point I would make might be called the essential integrity of intelligence production. Ever since it was established CIA has focused in one place, initially in the Office of Research and Estimates and since 1952 the Deputy Directorate for Intelligence, responsibility for the research analysis and production of intelligence conclusions for which the Agency is responsible. It would seem to be clear beyond argument that the assessment of a country's capabilities and possible courses of action must include scientific and technical factors along with military, economic, and political ones. Moreover, this integration must take place at all levels of analysis and production and for all finished products whether National Intelligence Surveys, current intelligence publications or National Intelligence Estimates. Separation of responsibility along the extremely obscure line that separates Research and Development data from production and deployment data would seem to have no positive advantages and many obvious disadvantages including the necessity of bringing relatively trivial disputes as to methods and analytical conclusions to the Director's office for resolution. Fusion of disciplines rather than their separate compartmentation is a necessary pre-condition to balanced rounded **SEURE**Approved For Release 2001/08/27 : CIA-RDP66R00638R000100010139-9

intelligence. It may be worth mentioning in passing that most universities maintain a single faculty of "Arts and Sciences" as one basic managerial unit.

4. The third issue to be considered is the maximum utilization of the scientific talent available in the Agency. I agree that scientists should be offered the opportunity of a varied career including assignments both in intelligence research and in experimental and developmental work. This can be accomplished by setting up a career designation of "scientist" to cover those working both in DDR and OSI, and I would not object to such a career service board being chaired by the DDR. What must be kept firmly in mind is that when working in OSI on producing intelligence appraising other nations' scientific capabilities, the scientists are first and foremost intelligence officers utilizing their scientific background to assist them in a process of reasoning that is no different from that engaged in by the political scientists or economists. To insist that the intelligence producing scientists or scientific intelligence officers be lumped in with the research and development people makes no more sense to me than placing the economists of ORR under the Comptroller for the reason that both are concerned with statistics.

- 5. Though the person selected to direct OSI has carefully and astutely avoided taking sides on this issue, I am convinced he will be in a better position to represent the Agency on questions of scientific intelligence on foreign countries' capabilities if he is not under the shadow of a senior Agency official engaged in developing and promoting particular collection systems.
- noses, it is worthy of note that the Kirkpatrick-Schuyler-Coyne
 Committee has studied the matter intensively and has concluded that
 OSI should remain where it is. Moreover, my associates who share
 a portion of my responsibility for the integration of finished
 intelligence such as Dr. Kent for National Estimates, Mr. Sheldon
 25X1A9a for Current Intelligence, and for National
 Intelligence Surveys agree that it would be undesirable to
 break up the presently existing and long established close
 association between their offices and OSI.
 - 7. In sum, though whatever decision you arrive at will be made to work, it is my belief that logical analysis of what our enterprise is all about and application of the principle of focusing responsibility for cognate and closely interrelated operations clearly lead to the conclusion that the best interests of the Agency would be served by leaving OSI where it is.

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ROOM NO.	BUILDING		EXTENSION
FORM NO 241	REPLACES FORM 36 WHICH MAY BE USE		PO : 1957—O-439445 (